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BANK ONE

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INTERSTATE COMMERCE COMMISSION

David M. Ransford
Senior Vice President

BANK ONE, EVANSTON, NA
800 Davis Street/P.O. Box 712
Evanston, Illinois 60204-0712
708 866-5588

September 25, 1992

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed are the original, two counterparts and two copies of the document described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Security Agreement, a primary document, dated September 22, 1992, and executed by Minnesota Commercial Railway Company for the benefit of Bank One, Evanston, NA. The names and addresses of the parties to the document are as follows:

Secured Party: Bank One, Evanston, NA
800 Davis Street
Evanston, IL 60201

Debtor: Minnesota Commercial Railway Company
53 W. Jackson Boulevard
Suite 1710
Chicago, IL 60604

The equipment consists of five Locomotives identified by the road number, serial number and date built listed on Exhibit A to the Security Agreement. For your convenience, a copy of Exhibit A is attached to this letter.

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned with the enclosures.

A short summary of the documents to appear in the index is as follows:

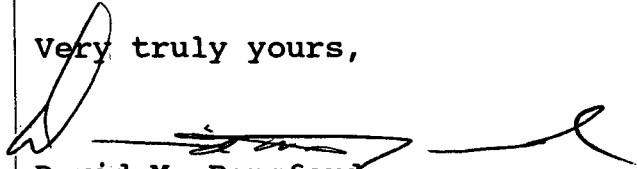
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MOTOR OPERATING UNIT

Ms. Noreta R. McGee, Secretary
September 25, 1992

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Security agreement between Bank One, Evanston, NA, 800
Davis Street, Evanston, IL 60201 and Minnesota
Commercial Railway Company, 53 W. Jackson Boulevard,
Suite 1710, Chicago, IL 60604 dated August 15, 1991 and
covering five Locomotives.

Very truly yours,



David M. Ransford
Senior Vice President
Commercial Banking

da

Encs.

EXHIBIT A

<u>Description</u>	<u>Road No.</u>	<u>Serial No.</u>	<u>Date Built</u>
EMD SE1500	MC 303	34724	1964
EMD SE1500	MC 304	34725	1964
EMD SE1500	MC 306	36486	1964
Alco GE C-424*	MC 62	84547	1964
Alco GE C-424*	MC 63	84550	1964

*Rebuilt in 1980 by General Electric-Hornell

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SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT is made as of the 22nd day of September, 1992, by MINNESOTA COMMERCIAL RAILWAY COMPANY ("Debtor"), a Minnesota corporation, with its principal place of business located at 53 West Jackson Boulevard, Suite 1710, Chicago, Illinois 60604, for the benefit of BANK ONE EVANSTON, NA ("Secured Party"), a national banking association with an office located at 800 Davis Street, Evanston, Illinois 60204.

WITNESSETH:

WHEREAS, Debtor has issued to Secured Party its Installment Note in the original principal amount of \$100,000 and its Revolving Credit Term Note in the original principal amount of \$100,000, each dated August 15, 1991, and an additional installment note in the original principal amount of \$100,000 dated September 22, 1992, payable as provided therein (the "Notes") pursuant to which Secured Party has agreed to make certain loans and advances to Debtor in accordance with the terms and provisions contained therein; and

WHEREAS, Debtor has entered into a Security Agreement - Accounts, Inventory and Equipment with Secured Party dated as of August 15, 1991 (the "Security Agreement").

NOW THEREFORE, in consideration of the terms and conditions contained herein and in the Notes and the Security Agreement, and of any extension of credit heretofore, now or hereafter made by Secured Party to Debtor, Debtor agrees as follows:

1. CREATION OF SECURITY INTEREST; COLLATERAL. For value received, Debtor, hereby grants to Secured Party a security interest in the locomotives described on Exhibit A attached hereto and made a part hereof and all accessions to, substitutions for and all replacements, products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the foregoing (collectively, the "Collateral").

2. OBLIGATIONS. The security interest granted hereby is given to secure the payment of the Notes and any and all other "Liabilities" (as defined in the Security Agreement).

3. WARRANTIES. Debtor represents and warrants as follows: (a) Debtor is a corporation duly organized and existing under the laws of State of Minnesota and is duly qualified and in good standing in Illinois and each other jurisdiction in which the failure to be so qualified would have a material adverse effect on Debtor; (b) the execution, delivery and performance hereof are within Debtor's corporate powers, have been duly authorized, are not in contravention of law or the terms of Debtor's Articles of Incorporation, Bylaws or of any indenture, agreement or undertaking to which Debtor is party or by which it is bound; (c) except for the security interest granted hereby Debtor is, or, as to Collateral to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien,

or, as to Collateral to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Debtor agrees that it will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

4. INSPECTION OF COLLATERAL AND RECORDS. Debtor shall at all reasonable times and from time to time allow Secured Party, by or through any of its officers, agents, attorneys or accountants, to examine and inspect the Collateral and to examine and inspect and make extracts from Debtor's books and records.

5. MAINTENANCE OF COLLATERAL. Debtor will maintain or cause the collateral to be maintained in a state of repair, working order and condition at least as good as the Collateral is in as of the date hereof and will make or cause to be made all appropriate repairs, renewals and replacements thereof.

6. FURTHER ASSURANCE. Debtor shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may require, to more completely vest in and assure to Secured Party its rights hereunder and in or to the Collateral.

7. PRESERVATION AND DISPOSITION OF COLLATERAL. Debtor will keep the Collateral free from any adverse lien, security interest, or encumbrance and will not sell, lease or otherwise dispose of the Collateral without the prior written consent of Secured Party.

8. EVENTS OF DEFAULT. Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions: (a) Debtor fails to pay the principal of or interest on the Notes or any other of the Liabilities when due and payable or declared due and payable; or (b) a Default occurs under the Security Agreement.

9. ACCELERATION; RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any such default, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable, and shall have the rights and remedies of a secured party under the Uniform Commercial Code, in addition to the rights and remedies provided herein, in the Security Agreement or in any other agreement by and between Debtor and Secured Party. Debtor shall pay to Secured Party on demand any and all expenses, including legal expenses and reasonable attorneys' fees, incurred or paid by Secured Party in protecting or enforcing the obligations and other rights of Secured Party here-under, and such expenses shall be one of the obligations hereby secured.

10. GENERAL. Secured Party shall not be deemed to have waived any of its rights hereunder or under any other agreement, instrument or paper signed by Debtor unless such waiver be in writing and signed by Secured Party. No delay or omission on the

part of Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All of Secured Party's rights and remedies, whether evidenced hereby or by any other agreement, instrument or paper, shall be cumulative and may be exercised singularly or concurrently. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind its successors and assigns. The unenforceability or invalidity of any one or more provisions, clauses or sentences hereof shall not render any other provision, clause or sentence herein contained unenforceable or invalid. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the law of the State of Illinois.

IN WITNESS WHEREOF, Debtor has caused this Agreement to be executed by its duly authorized representative as of the day and year first above written.

MINNESOTA COMMERCIAL RAILWAY
COMPANY

By: John W. Johnson
Title: President

No Seal

(Affix Corporate Seal)

STATE OF ILLINOIS)

) ss.

COUNTY OF COOK)

On this 22nd day of September, 1992,
before me personally appeared John W. Gohmann, to me personally
known, who being by me duly sworn says that he is the President
of Minnesota Commercial Railway Company, that the seal affixed to
the foregoing instrument is the corporate seal of said
corporation, that said instrument was signed and sealed on behalf
of said corporation by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing instrument
was the free act and deed of said corporation.

Betty S. London
Notary Public

My commission expires:



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